

INFORMATION PAPER

SUBJECT: The Army's Residential Communities Initiative (RCI) in Hawaii

1. PURPOSE. To provide information on The Army's RCI project planned for Hawaii.

2. BACKGROUND:

a. In 1996, the Military Housing Privatization Initiative (MHPI) act provided the Military Services with authorities to obtain private sector capital and expertise to operate manage and improve military family housing. At the end of 2000, over 70% of Army Family Housing (AFH) was still classified as inadequate. To comply with the Department of Defense goal to program to eliminate inadequate family housing by 2007, The Army plans to leverage privatization authorities to create affordable, quality housing for soldiers and their families. The Army will privatize about 70,000 homes in the US by 2006, including 7,700 homes on Oahu, Hawaii.

3. DISCUSSION.

a. To date, The Army has executed four pilot projects at Ft Carson, CO (Sep 99); Ft Hood, TX (Oct 00); Ft Lewis, WA (Apr 02); and Ft Meade, MD (May 02). Lessons learned from these projects were applied to three newly awarded projects at Fort Bragg, NC (May 02), Presidio of Monterey, CA (Jul 02) and Fort Campbell, KY (Aug 02). Hawaii is the 17th RCI venture that The Army will undertake.

b. Under the RCI program, The Army selects a partner through a Request for Qualifications (RFQ) process. Respondents to the RFQ provide information on their past performance, financial capabilities, proposed organization, and preliminary vision for partnering with The Army. Once The Army selects a partner, the partner collaborates with The Army to develop a Community Development and Management Plan (CDMP) over a six-month period. The CDMP is an integrated financial, development, operations and maintenance plan that addresses the vision and requirements of the Installation. Once The Army and Congress approve the CDMP, the partner executes the plan over a 50-year period. The project income is derived from the service member's Basic Allowance for Housing (BAH). Currently, the Army's plan is to solicit the RFQ for hawaii in two phases: First, offerors will be asked to demonstrate that the consortium meets required administrative minimums, then a solicitation will be issued to qualified consortiums.

c. Major milestones for RCI in Hawaii follow:

Industry Forum	August 28	2002
Administrative Minimums for RFQ Issued	October	2002
RCI Partner Selected	February	2003
Transfer Operations to Partner	May	2004

d. An Industry Forum on the Hawaii RCI project is currently scheduled for 28 August 2002, followed by a visit to the AFH areas on Oahu. Details on the Industry Forum, and other information on the RCI program, including previous Requests for Qualifications (RFQs) and lists of companies that have expressed interest in the RCI program, can be found on the Army's RCI website: <http://www.rci.army.mil>. Information on the RCI project in Hawaii can also be found on the 25th Infantry Division Light webpage at: <http://www.25idl.army.mil> under "Housing Privatization".

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Visit The Army's RCI website: <http://www.rci.army.mil>